



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

August 3, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

UPDATE: GENERAL FUND CASH FLOW POSITION

As of July 30, 2009, the General Fund's cash position remained consistent with our cash projections, with a cash balance of \$324.7 million. Combined with the \$1.3 billion in Tax and Revenue Anticipation Note proceeds, over \$1.6 billion is currently available for General Fund purposes. This positive cash flow position will allow the General Fund to maintain financial stability through the first quarter of this fiscal year.

Registered Warrants

Since July 1, 2009, the State issued \$41.6 million in registered warrants to the County, of which \$11.2 million in registered warrants have been exchanged for cash. The remaining \$30.4 million in uncashed registered warrants are being held by the Treasurer and Tax Collector pending the State's ability to honor these warrants. The State will redeem these registered warrants in October, or sooner if cash is available at an interest rate of 3.75 percent.

State Impact on County Programs

The Governor has signed the State's FY 2009-10 Budget and our Sacramento Update report dated July 30, 2009 informed the Board of the impact on County programs totaling \$272.8 million. The State will also borrow \$301.9 million from the County's General Fund and \$59.0 million from Special District Funds; however, the State's budget bill allows securitization of State borrowing which will mitigate the impact of this

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Each Supervisor
August 4, 2009
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loan on County operations. Our office will be working with the Departments to prepare the FY 2009-10 Supplemental or Final Adopted Budget which will include the State impacts and recommended solutions for your Board's consideration targeted for September 22, 2009.

If you have any questions, please contact Debbie Lizzari at (213) 974-6872 or Jan Takata at (213) 974-1360.

WTF:DL
DJT:JT:zu

c: Executive Officer, Board of Supervisors
 Acting County Counsel
 Auditor Controller
 Treasurer and Tax Collector